STATE BOARD OF ACCOUNTS 302 West Washington Street Room E418 INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT

OF

INDIANA COMMISSION FOR CONTINUING LEGAL EDUCATION STATE OF INDIANA

July 1, 2001 to June 30, 2003

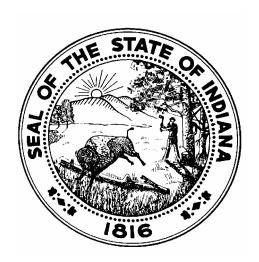


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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>	
Executive Director	Ms. Julia L. Orzeske	07-01-01 to 06-30-04	
Chairman of the Commission	Mr. Jeffrey J. Newell Ms. Alysa C. Rollock Ms. Jeanine Gozdecki Mr. Robert Ewbank	01-01-01 to 12-31-01 01-01-02 to 12-31-02 01-01-03 to 12-31-03 01-01-04 to 12-31-04	



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE INDIANA COMMISSION FOR CONTINUING LEGAL EDUCATION

We have examined the schedule of receipts, disbursements, and cash and investment balances of the Indiana Commission for Continuing Legal Education for the period of July 1, 2001, to June 30, 2003. The Indiana Commission for Continuing Legal Education's management is responsible for the schedule. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the schedule of receipts, disbursements, and cash and investment balances and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedule referred to above presents fairly, in all material respects, the cash transactions of the Indiana Commission for Continuing Legal Education for the years ended June 30, 2002 and 2003, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

May 19, 2004

INDIANA COMMISSION FOR CONTINUING LEGAL EDUCATION SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES For The Years Ended June 30, 2002 and 2003

	 2002		2003	
Cash and Investments, July 1	\$ 730,793		797,027	
Receipts:				
Annual Fees	242,482		242,682	
Delinquencies	119,195		71,270	
Reinstatements	19,971		23,125	
Mediation	20,595		23,190	
Independent Certifying Organization	1,250		3,500	
Miscellaneous	1,218		379	
Interest	 20,712	_	15,529	
Total Receipts	 425,423	_	379,675	
Disbursements:				
Personal Services	212,274		248,622	
Commission Per Diem	4,300		7,800	
Commission and Director Expenses	12,422		20,148	
Special Legal Educational Programs	4,849		18,383	
Independent Certifying Organization	779		2,011	
Applied Professionalism Course	9,350		23,405	
Mediation Expenses	1,148		17,023	
Contract Services	8,969		11,232	
Postage and Supplies	23,029		40,426	
Utilities and Rent	44,246		45,231	
Computer and Office Equipment	16,051		26,817	
Computer Consulting	18,403		-	
Miscellaneous	 3,369	_	2,205	
Total Disbursements	 359,189		463,303	
Total Receipts Over (Under) Disbursements	 66,234		(83,628)	
Cash and Investments, June 30	\$ 797,027	\$	713,399	

The accompanying notes are an integral part of the financial schedule.

INDIANA COMMISSION FOR CONTINUING LEGAL EDUCATION NOTES TO SCHEDULE

Note 1. Introduction

The Commission for Continuing Legal Education was established under the laws of the State of Indiana Admission and Discipline Rule #29 of the Indiana Supreme Court. As an agent of the Supreme Court, the Commission has the responsibility for approving educational activities to satisfy the legal education requirements for attorneys admitted to the Bar in the State of Indiana and non-attorney judges. Commission revenue is generated from annual registration fees collected by the Clerk of the Courts for attorneys practicing law in the State of Indiana as described in Rule No. 29.

Note 2. Fund Accounting and Basis of Accounting

The Commission for Continuing Legal Education uses fund accounting to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Deposits and Investments

Deposits, made in accordance with IC 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Indiana Commission for Continuing Legal Education to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 4. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Indiana Commission for Continuing Legal Education contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Indiana Commission for Continuing Legal Education authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at three percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INDIANA COMMISSION FOR CONTINUING LEGAL EDUCATION NOTES TO SCHEDULE (Continued)

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund Harrison Building, Room 800 143 West Market Street Indianapolis, IN 46204 Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

INDIANA COMMISSION FOR CONTINUING LEGAL EDUCATION EXAMINATION RESULTS AND COMMENTS

DAILY DEPOSITS

As stated in our three prior Audit Reports (most recently B18480), the Commission for Continuing Legal Education did not consistently deposit receipts collected by the following business day after receipt of the funds.

IC 5-13-6-1(b) states in part: ". . . all public funds . . . shall be deposited with the treasurer of state, or an approved depository selected by the treasurer of state not later than the business day following the receipt of the funds."

INDIANA COMMISSION FOR CONTINUING LEGAL EDUCATION EXIT CONFERENCE
The contents of this report were discussed on June 16, 2004, with Ms. Julia Orzeske